



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE
Harbor Health Plan, Inc.

NAIC Group Code	4893	4893	NAIC Company Code	11081	Employer's ID Number	38-3295207
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	09/29/1995		Commenced Business	12/19/2000		
Statutory Home Office	3663 Woodward, Suite 120		Detroit, MI, US 48201			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	3663 Woodward, Suite 120					
	(Street and Number)					
	Detroit, MI, US 48201		(800)543-0161			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	1100 New Jersey Avenue, Suite 840		Washington, DC, US 20003			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1100 New Jersey Avenue, Suite 840					
	(Street and Number)					
	Washington, DC, US 20003		(202)821-1070			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	http://www.harborhealthplan.com					
Statutory Statement Contact	Cleveland E Slade		(202)821-1070			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	cslade@trustedhp.com					
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	
Jesse Lee Thomas	President & CEO	#
Cleveland E. Slade	CFO	#
Chikadibie E. Duru	General Counsel	#

OTHERS

DIRECTORS OR TRUSTEES

Thomas M. Duncan #	Claudia Austin
Brenda Williams	Caleb DesRosiers JD #

State of Michigan
County of ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Jesse Lee Thomas	Cleveland E. Slade	Chikadibie E. Duru
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President & CEO	CFO	General Counsel
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2018	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....15,337,717, Schedule E Part 1), cash equivalents (\$.....1,004,561, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	16,342,278		16,342,278	28,401,297
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	16,342,278		16,342,278	28,401,297
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued				
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	162,036	18,112	143,924	477,983
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....107,263)	107,263		107,263	
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers				457,953
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				379,336
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	130,454	17,650	112,804	396,533
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	14,108		14,108	
24.	Health care (\$.....59,089) and other amounts receivable	117,403	58,314	59,089	852,842
25.	Aggregate write-ins for other than invested assets	1,158,827	74,790	1,084,037	24,000
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,032,369	168,866	17,863,503	30,989,944
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	18,032,369	168,866	17,863,503	30,989,944
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Expenses	74,790	74,790		24,000
2502.	Other Receivables	1,084,037		1,084,037	
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,158,827	74,790	1,084,037	24,000

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	7,403,077		7,403,077	7,552,118
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	113,002		113,002	212,188
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	447,472		447,472	1,292,972
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				210
9.	General expenses due or accrued	1,400,840		1,400,840	508,841
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	110,733		110,733	
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	37,830		37,830	
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				238,873
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				10,173,399
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans	233,232		233,232	655,957
23.	Aggregate write-ins for other liabilities (including \$.....0 current)	92,294		92,294	2,419,404
24.	TOTAL Liabilities (Lines 1 to 23)	9,838,480		9,838,480	23,053,962
25.	Aggregate write-ins for special surplus funds	X X X	X X X	726,833	
26.	Common capital stock	X X X	X X X	60,000	60,000
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	7,782,285	7,086,557
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	(544,096)	789,425
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	8,025,022	7,935,982
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	17,863,502	30,989,944
DETAILS OF WRITE-INS					
2301.	Payable for contracts subject to redetermination				2,419,404
2302.	Escheat Liabilities	92,294		92,294	
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	92,294		92,294	2,419,404
2501.	Projected ACA fee	X X X	X X X	726,833	
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	726,833	
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	116,205	134,273
2.	Net premium income (including \$.....0 non-health premium income)	X X X	44,505,112	50,580,268
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		1,184,647
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	44,505,112	51,764,915
Hospital and Medical:				
9.	Hospital/medical benefits		21,594,270	25,955,769
10.	Other professional services		7,690,271	6,311,934
11.	Outside referrals			
12.	Emergency room and out-of-area		3,203,022	2,216,718
13.	Prescription drugs		4,148,117	5,293,210
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		36,635,680	39,777,631
Less:				
17.	Net reinsurance recoveries		293,495	457,953
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		36,342,185	39,319,678
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....842,960 cost containment expenses		4,142,966	3,822,980
21.	General administrative expenses		6,894,820	5,023,677
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			(450,000)
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		47,379,971	47,716,335
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(2,874,859)	4,048,580
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		14,590	330
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		14,590	330
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....409,040)]		(409,040)	(130,454)
29.	Aggregate write-ins for other income or expenses		3,221,678	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(47,631)	3,918,456
31.	Federal and foreign income taxes incurred	X X X	38,821	1,371,473
32.	Net income (loss) (Lines 30 minus 31)	X X X	(86,452)	2,546,983
DETAILS OF WRITE-INS				
0601.	Reimbursable ACA fees	X X X		1,184,647
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		1,184,647
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Settlement of liability with Prior Owner		3,221,678	
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		3,221,678	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	7,935,982	9,971,924
34.	Net income or (loss) from Line 32	(86,452)	2,546,983
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(266,079)	120,266
39.	Change in nonadmitted assets	(4,452)	1,358,167
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	695,728	133,000
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		(6,160,076)
47.	Aggregate write-ins for gains or (losses) in surplus	(249,704)	(34,282)
48.	Net change in capital and surplus (Lines 34 to 47)	89,041	(2,035,942)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	8,025,023	7,935,982
DETAILS OF WRITE-INS			
4701.	Prior year audit adjustments	(249,704)	(34,279)
4702.	Rounding		(3)
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(249,704)	(34,282)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	44,002,867	52,392,188
2.	Net investment income	14,590	330
3.	Miscellaneous income		1,184,647
4.	TOTAL (Lines 1 through 3)	44,017,457	53,577,165
5.	Benefit and loss related payments	35,912,796	38,283,077
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	7,475,724	8,860,390
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(71,912)	1,371,473
10.	TOTAL (Lines 5 through 9)	43,316,608	48,514,940
11.	Net cash from operations (Line 4 minus Line 10)	700,849	5,062,225
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	695,728	133,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		6,160,076
16.6	Other cash provided (applied)	(13,455,597)	12,454,927
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(12,759,869)	6,427,851
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(12,059,020)	11,490,076
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	28,401,297	16,911,221
19.2	End of year (Line 18 plus Line 19.1)	16,342,277	28,401,297

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	44,505,112	(664,408)					7,202,512	37,967,008		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	44,505,112	(664,408)					7,202,512	37,967,008		
8.	Hospital/medical benefits	21,594,270	176,605					4,440,663	16,977,002		X X X
9.	Other professional services	7,690,271						2,047,344	5,642,927		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	3,203,022	75,641					293,903	2,833,478		X X X
12.	Prescription drugs	4,148,117	(149,487)					1,157,058	3,140,546		X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts										X X X
15.	Subtotal (Lines 8 to 14)	36,635,680	102,759					7,938,968	28,593,953		X X X
16.	Net reinsurance recoveries	293,495	83,445					152,576	57,474		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	36,342,185	19,314					7,786,392	28,536,479		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....842,960 cost containment expenses	4,142,966	289,492					315,968	3,537,506		
20.	General administrative expenses	6,894,820	103,323					1,502,289	5,289,208		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	47,379,971	412,129					9,604,649	37,363,193		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(2,874,859)	(1,076,537)					(2,402,137)	603,815		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	(638,730)		25,678	(664,408)
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	7,371,711		169,199	7,202,512
7.	Title XIX - Medicaid	38,232,130		265,122	37,967,008
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	44,965,111		459,999	44,505,112
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	44,965,111		459,999	44,505,112

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	36,664,245	1,181,049					7,613,578	27,869,618		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	751,448	541,398					152,553	57,497		
1.4 Net	35,912,797	639,651					7,461,025	27,812,121		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	7,403,077	4,705					1,394,155	6,004,217		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	7,403,077	4,705					1,394,155	6,004,217		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	(120,477)						(120,477)			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	7,552,118	1,082,995					1,189,264	5,279,859		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	7,552,118	1,082,995					1,189,264	5,279,859		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	457,953	457,953								
12. Incurred benefits:										
12.1 Direct	36,635,681	102,759					7,938,946	28,593,976		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	293,495	83,445					152,553	57,497		
12.4 Net	36,342,186	19,314					7,786,393	28,536,479		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,751,806						496,268	1,255,538		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	1,751,806						496,268	1,255,538		
2. Incurred but Unreported:										
2.1 Direct	5,651,271	4,705					897,887	4,748,679		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	5,651,271	4,705					897,887	4,748,679		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	7,403,077	4,705					1,394,155	6,004,217		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	7,403,077	4,705					1,394,155	6,004,217		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	1,096,900	704	4,253	452	1,101,153	1,082,995
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	757,652	6,703,372	11,103	1,383,052	768,755	1,189,264
7.	Title XIX - Medicaid	3,936,662	23,875,460	55,240	5,948,977	3,991,902	5,279,859
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	5,791,214	30,579,536	70,596	7,332,481	5,861,810	7,552,118
10.	Healthcare receivables (a)	117,403				117,403	237,880
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	5,673,811	30,579,536	70,596	7,332,481	5,744,407	7,314,238

(a) Excludes \$.0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior		27	27	27	27
2.	2013	7,221	8,286	8,286		
3.	2014	X X X	7,336	7,336		6
4.	2015	X X X	X X X	25,113	5,530	5,915
5.	2016	X X X	X X X	X X X	31,984	39,137
6.	2017	X X X	X X X	X X X	X X X	28,947

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(772)	(441)	177	177	27
2.	2013	7,553	8,617	8,617		
3.	2014	X X X	18,099	18,099		6
4.	2015	X X X	X X X	23,764	5,747	5,915
5.	2016	X X X	X X X	X X X	33,971	39,207
6.	2017	X X X	X X X	X X X	X X X	36,279

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	8,911									
2.	2014	22,163	6	0	5.133	6	0.028			6	0.028
3.	2015	36,087	5,915	19	0.327	5,934	16.445			5,934	16.445
4.	2016	43,550	39,137	815	2.082	39,952	91.738	70	1	40,023	91.901
5.	2017	44,506	28,947	3,345	11.557	32,292	72.557	7,332	112	39,736	89.283

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X				
4.	2015	X X X	X X X	14		
5.	2016	X X X	X X X	X X X	3,924	5,021
6.	2017	X X X	X X X	X X X	X X X	1

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X				
4.	2015	X X X	X X X	22		
5.	2016	X X X	X X X	X X X	5,007	5,025
6.	2017	X X X	X X X	X X X	X X X	1

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013										
2.	2014										
3.	2015	14									
4.	2016	5,628	5,021	145	2.886	5,166	91.789	4		5,170	91.860
5.	2017	(664)	1	145	14,510.565	146	(22.004)			146	(22.004)

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X				
4.	2015	X X X	X X X	602	218	230
5.	2016	X X X	X X X	X X X	5,216	6,082
6.	2017	X X X	X X X	X X X	X X X	6,703

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior					
2.	2013					
3.	2014	X X X				
4.	2015	X X X	X X X	1,012	222	230
5.	2016	X X X	X X X	X X X	5,990	6,093
6.	2017	X X X	X X X	X X X	X X X	8,086

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013										
2.	2014										
3.	2015	1,024	230	0	0.088	230	22.481			230	22.481
4.	2016	5,613	6,082	47	0.769	6,129	109.189	11		6,140	109.385
5.	2017	7,203	6,703	274	4.088	6,977	96.863	1,383	16	8,376	116.285

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior		27	27	27	27
2.	2013	7,221	8,286	8,286		
3.	2014	X X X	7,336	7,336		6
4.	2015	X X X	X X X	24,497	5,312	5,685
5.	2016	X X X	X X X	X X X	22,844	28,034
6.	2017	X X X	X X X	X X X	X X X	22,243

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(772)	(441)	177	177	27
2.	2013	7,553	8,617	8,617		
3.	2014	X X X	18,099	18,099		6
4.	2015	X X X	X X X	22,730	5,525	5,685
5.	2016	X X X	X X X	X X X	22,974	28,089
6.	2017	X X X	X X X	X X X	X X X	28,192

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	8,911									
2.	2014	22,163	6	0	5.133	6	0.028			6	0.028
3.	2015	35,049	5,685	19	0.337	5,704	16.275			5,704	16.275
4.	2016	32,309	28,034	623	2.223	28,657	88.698	55	1	28,713	88.871
5.	2017	37,967	22,243	2,926	13.156	25,169	66.292	5,949	96	31,214	82.214

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	NONE				
2.	2013					
3.	2014					
4.	2015		X			
5.	2016		X	X X X		
6.	2017	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	NONE				
2.	2013					
3.	2014					
4.	2015		X			
5.	2016		X	X X X		
6.	2017	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013			NONE							
2.	2014										
3.	2015										
4.	2016										
5.	2017										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)	447,472	1,625					445,847		
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	447,472	1,625					445,847		
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	447,472	1,625					445,847		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			120,116		120,116
2.	Salaries, wages and other benefits	127,311		2,199,231		2,326,542
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses					
5.	Certifications and accreditation fees			45,790		45,790
6.	Auditing, actuarial and other consulting services			68,000		68,000
7.	Traveling expenses	587	450	142,783		143,820
8.	Marketing and advertising			134,879		134,879
9.	Postage, express and telephone			34,591		34,591
10.	Printing and office supplies			95,754		95,754
11.	Occupancy, depreciation and amortization					
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software			11,447		11,447
14.	Outsourced services including EDP, claims, and other services	708,342	3,299,555	3,312,726		7,320,623
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate			32,604		32,604
17.	Collection and bank service charges			70,819		70,819
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			271,029		271,029
23.3	Regulatory authority licenses and fees			5		5
23.4	Payroll taxes	6,720		103,146		109,866
23.5	Other (excluding federal income and real estate taxes)			110		110
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses			251,790		251,790
26.	TOTAL Expenses Incurred (Lines 1 to 25)	842,960	3,300,005	6,894,820		(a) 11,037,785
27.	Less expenses unpaid December 31, current year		113,002	1,400,840		1,513,842
28.	Add expenses unpaid December 31, prior year		212,188	508,841		721,029
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	842,960	3,399,191	6,002,821		10,244,972
DETAILS OF WRITE-INS						
2501.	Other Expenses			251,790		251,790
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			251,790		251,790

(a) Includes management fees of \$.....695,746 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 14,590	14,590
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	14,590	14,590
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		
17.	Net Investment income (Line 10 minus Line 16)		14,590
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)					
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	18,112	96,951	78,839
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset	17,650		(17,650)
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	58,314	51,977	(6,337)
25.	Aggregate write-ins for other than invested assets	74,790	15,486	(59,304)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	168,866	164,414	(4,452)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	168,866	164,414	(4,452)
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Expenses	74,790	15,486	(59,304)
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	74,790	15,486	(59,304)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1.	Health Maintenance Organizations	10,162	10,410	9,942	8,522	9,337	116,205
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	10,162	10,410	9,942	8,522	9,337	116,205
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Harbor Health Plan, Inc. (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

The State of Michigan has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, the differences that affect the Company are as follows:

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

		SSAP#	F/S Page	F/S Line	2017	2016
	NET INCOME					
(1)	State basis (Page 4, Line 32, Columns 2 & 3)				(86,453)	2,546,983
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total					
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(301)						
(399)	Total				0	0
(4)	NAIC SAP (1-2-3=4)				(86,453)	2,546,983
	SURPLUS					
(5)	State basis (Page 3, Line 33, Columns 3 & 4)				8,025,023	7,935,982
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total					
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(701)						
(799)	Total				0	0
(8)	NAIC SAP (5-6-7=8)				8,025,023	7,935,982

B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates.

Notes to Financial Statements

C. Accounting Policy

Health premiums are earned ratably over the terms of the related contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost
- (2) Bonds not backed by other loans are stated at amortized cost. The company has no mandatory convertible and svo identified securities
- (3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No 32
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest
- (6) Loan-backed securities are stated at amortized cost
- (7) The Company owns no investments in subsidiaries
- (8) The Company has no ownership interests in joint ventures
- (9) The Company has no derivative investments
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in the period determined
- (12) The Company has not modified its capitalization policy from the prior period
- (13) The pharmacy rebate receivable is determined based on the actual use of various prescriptions drugs during the accumulation period

D. Going Concern

None

2. Accounting Changes and Corrections of Errors

The Company reported a correction of an error of \$249,704 for prior year taxes and asset valuation.

3. Business Combinations and Goodwill

A. Statutory Purchase Method – The Company has no unamortized goodwill resulting from a statutory purchase

B. Merger – The Company was not party to a merger during the year

C. Assumption Reinsurance - The Company has no unamortized goodwill resulting from assumption reinsurance

D. Impairment Loss - The Company did not recognize an impairment loss on the transactions described above

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities - None

Notes to Financial Statements

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- H. Repurchase Agreements Transactions Accounted for as a Sale – None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate – None
- K. Low-income housing tax credits (LIHTC) – None
- L. Restricted Assets –

(1) Restricted Assets(Including Pledged)

Restricted Asset Category		1	2	3	4	5	6	7
		Total Gross (Admitted & Nonadmitted) Restricted From Current Year	Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	Increase/ (Decrease) (Col. 1 minus Col. 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted)Restr icted to Total Assets	Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown							
b.	Collateral held under security lending agreements							
c.	Subject to repurchase agreements							
d.	Subject to reverse repurchase agreements							
e.	Subject to dollar repurchase agreements							
f.	Subject to dollar reverse repurchase agreements							
g.	Placed under options contracts							
h.	Letter stock or securities restricted as to sale-excluding FHLB capital stock							
i.	FHLB capital stock							
j.	On deposit with states	\$ 1,004,561	\$ 1,000,870	\$3,691		\$ 1,004,561	5.571	5.624
k.	On deposit with other regulatory bodies							
l.	Pledged as collateral to FHLB (including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories							
n.	Other restricted assets							
o	Total Restricted Assets	\$ 1,004,561	\$ 1,000,870	\$3,691		\$ 1,004,561	5.571	5.624

(2) - Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and derivatives, are Reported in the Aggregate) – None

(3) - Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, such as Reinsurance and Derivatives, Are Reported in the Aggregate – None

(4) -Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements - None

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities – None
- O. Structured Notes - None
- P. 5* Securities - None
- Q. Short-Sales – None
- R. Prepayment Penalty and Acceleration Fees – None

6. Joint Ventures, Partnerships and Limited Liability Companies

Notes to Financial Statements

None.

7. Investment Income

None.

8. Derivative Instruments

None.

9. Income Taxes

A. Components of deferred tax assets and deferred tax liabilities:

1. The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows:

Description		12/31/2017			12/31/2016			Change		
		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Gross Deferred Tax Assets	\$ 130,454		\$ 130,454	\$ 121,733		\$ 121,733	\$ 8,721		\$ 8,721
b.	Statutory Valuation Allowance Adjustments									
c.	Adjusted Gross Deferred Tax Assets (1a – 1b)	\$ 130,454		\$ 130,454	\$ 121,733		\$ 121,733	\$ 8,721		\$ 8,721
d.	Deferred Tax Assets Non-admitted	17,650		17,650				17,650		17,650
e.	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	\$ 112,804		\$ 112,804	\$ 121,733		\$ 121,733	\$ (8,929)		\$ (8,929)
f.	Deferred Tax Liabilities									
g.	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 112,804		\$ 112,804	\$ 121,733		\$ 121,733	\$ (8,929)		\$ (8,929)

2. The amount of each result or component of the deferred tax asset admission are calculated as follows:

Description		12/31/2017			12/31/2016			Change		
Admission Calculation Components per SSAP No. 101 – Income Taxes		1	2	3	4	5	6	7	8	9
		Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 – 4) Ordinary	(Col. 2 – 5) Capital	(Col. 7 + 8) Total
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	110,733		110,733	121,733		121,733	(11,000)		(11,000)
b	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)	2,071		2,071				2,071		2,071
b1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date									
b2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	1,203,443	XXX	XXX	1,130,917	XXX	XXX	72,526
c.	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2a and 2b Above) Offset by Gross Deferred Tax Liabilities									

Notes to Financial Statements

d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b + 2c)	112,804		112,804	121,733		121,733	(8,929)		(8,929)
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3. The ratio used to determine applicable period used for determining the amount of adjusted gross DTA, expected to be realized and the amount of adjusted capital and surplus used to determine the percentage threshold limitation at December 31 were:

	Description	2017	2016
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	446.187	448
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	7,912,218	7,539,449

4. Impact of Tax Planning Strategies

4.		December 31, 2017		December 31, 2016		Change	
		(1)	(2)	(3)	(4)	(5)	(6)
		Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
	Impact of Tax-Planning Strategies						
(a)	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage,						
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	130,454	-	121,733	-	8,721	-
2.	Percentage of Adjusted Gross DTAs by Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	112,804	-	121,733	-	(8,929)	-
4.	Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted Because of the Impact of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
(b)	Does the Company's tax-planning strategies include the use of reinsurance?				No		

B. Deferred Tax Liabilities not recognized: Not Applicable

Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

	Description	1 12/31/2017	1 12/31/2016	3 (Col. 1 – 2) Change
	Current Income Tax			
a.	Federal	\$ 110,733	\$ 1,371,473	\$1,260,740
b.	Foreign			
c.	Subtotal	\$ 110,733	\$ 1,371,473	\$1,260,740
d.	Federal income tax on net capital gains			
e.	Utilization of capital loss carry-forwards			
f.	Other			
g.	Federal and foreign income taxes incurred	\$ 110,733	\$ 1,371,473	\$1,260,740
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	24,354	64,173	(39,819)
2.	Unearned premium reserve		15	(15)
3.	Policyholder reserves			
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets			
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Receivables – nonadmitted			
11.	Net operating loss carry-forward			
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)	106,100	57,545	48,555
99.	Subtotal	130,454	121,733	8,721
b.	Statutory valuation allowance adjustment			
c.	Nonadmitted	17,650		17,650
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	112,804	112,733	(8,929)
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal			
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)	112,804	121,733	(8,929)
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)			
99.	Subtotal			
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal			
c.	Deferred tax liabilities (3a99 + 3b99)			
4.	Net deferred tax assets/liabilities (2i – 3c)	\$ 112,804	\$ 121,733	(8,929)

The Tax Cuts & Jobs Act ("TCJA"), signed into law on December 22, 2017, reduces the corporate Federal income tax rate from 34 percent to 21 percent, effective for years beginning after December 31, 2017. As a result, the Company has recognized a decrease to their net deferred asset as of December 31, 2017 in the amount of \$81k. The Company has determined that no other changes are required to the deferred tax asset, and the current income tax expense is unaffected by this change in the law.

Notes to Financial Statements

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect @ 34%	Effective Tax Rate
Income before taxes	(47,631)	(16,195)	34.00%
DRD deduction and tax-exempt interest, net	-	-	0.00%
Prior year underaccrual/(overaccrual)	-	-	0.00%
Change in nonadmitted assets	13,198	4,487	-9.42%
Meals and entertainment	12,141	4,128	-8.67%
Prior year true up of DTA	34,804	11,833	-24.84%
Other nondeductible expenses	50,000	17,000	-35.69%
Change in DTA due to impact of tax reform	237,526	80,759	-169.55%
Total	300,039	102,012	-214.17%
Federal income taxed incurred [expense/(benefit)]		110,733	-232.48%
Tax on capital gains		-	0.00%
Change in net deferred income tax [charge/(benefit)]		(8,721)	18.31%
Total statutory income taxes		102,012	-214.17%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

- (1) The Corporation does not have any net operating loss carryforwards at December 31, 2017.
- (2) The following is income tax expense for 2017 and 2016 that is available for recoupment in the event of future net losses.

Year	Total
2017	110,733
2016	0

(3) The Company has not made any deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. The Company's federal income tax return is consolidated with the following entities:

Trusted Health Plans, Inc.

Trusted Health Plan (District of Columbia), Inc..

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit given for any net operating losses or other items utilized in the consolidated tax return.

Notes to Financial Statements

10.Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A, B, & C – The Company was acquired February 28, 2017 by Trusted Health Plans, Inc.

D. Amounts Due from or to Related Parties

As of December 31, 2017 \$14,108 was recorded as a receivable from Trusted Health Plans, Inc – Delaware.

E. Guarantees - None.

F. Material management contracts – The Company entered into a Tax Sharing Agreement whereby Trusted Health Plans, Inc. and the Company has agreed to filing a joint federal tax return effective March 1, 2017 and thereafter. In addition on June 5, 2017 the Management Services Agreement was approved by the state. The Company paid \$695,746 to Trusted Plans, Inc. in 2017 for management fees.

G. Common Control – None.

H. Deductions in Value – None.

I. SCA that exceed 10% of Admitted Assets – None.

J. Impaired SCAs – None.

K. Foreign Subsidiary – None

L. Downstream Noninsurance Holding Company – None

M. Non-Insurance SCA Investments – None

N. Investment in Insurance SCA – None

11. Debt

A. Debt – None.

B. FHLB (Federal Home Loan Bank) Agreements – None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

A. Defined Benefit Plan

1) Change in benefit obligation – None

(2) Change in plan assets- None

(3) Funded status - None

(4) Components of net periodic benefit cost - None

(5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - None

(6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - None

(7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - None

(8) Weighted-average assumptions used to determine net period benefit cost - None

(9) The amount of accumulated benefit obligation for defined benefit pension plans - None

(10) – (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - None

(12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years- None

(13) Regulatory contribution requirements - None

Notes to Financial Statements

(14) – (21) None.

- B. Investment Policies and Strategies – None
- C. Plan Assets – None
- D. Long-term Rate-of-return-on-assets Assumption - None
- E. Defined Contribution Plans - None
- F. Multi-Employer Plan – None
- G. Consolidated/Holding Company Plans – None
- H. Post-Employment Benefits and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 60,000 shares of common stock authorized, issued and outstanding of \$1 par value Class A shares.
- (2) The Company has no preferred stock outstanding.
- (3)&(4) Dividend restrictions – No dividends can be paid without prior approval of its domiciliary commissioner. Dividends to shareholders are limited by the laws of the Company’s state of incorporation, Michigan, to an amount that is based on restrictions relating to statutory surplus.
- (5) Portions of Company’s profit paid as ordinary dividends to stockholders: None
- (6) Description of any restrictions on unassigned funds: None
- (7) Total amount of advances to surplus not repaid: None
- (8) Total amount of stock held by the company for special purposes: None
- (9) Reasons for changes in the balances of any special surplus funds: None
- (10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0.
- (11) The Company issued the following surplus debentures: None
- (12) Impact of restatement in a quasi-reorganization: None
- (13) Effective date of quasi-reorganization: None

14. Liabilities, Contingencies and Assessments

- a. Contingent Commitments – None
- b. Assessments – None
- c. Gain Contingencies – None
- d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None
- e. Joint and Several Liabilities – None
- f. All Other Contingencies

15. Leases

- A. Lessee Operating Lease – None.
- B. Lessor Leases – None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Notes to Financial Statements

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets
 - (1) Description of loaned securities – None
 - (2) Servicing Assets and Liabilities
 - a. Risks inherent in servicing assets and servicing liabilities – None
 - b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – None
 - c. Assumptions used to estimate the fair value – None
 - (3) Servicing assets and servicing liabilities are subsequently measured at fair value – None
 - (4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:
 - a. Each income statement presented – None
 - b. Each statement of financial position presented, regardless of when the transfer occurred – None
 - (5) Transfers of financial assets accounted for as secured borrowing value – None
 - (6) Transfers of receivables with recourse – None
 - (7) Securities underlying repurchase and reverse repurchase agreements – None
- C. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- a. ASO Plans – None
- b. ASC Plans – None
- c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract:
 - 1) Revenue from the Company’s Medicare Part D (or similarly structured cost based reimbursement contract) for the year 2017, consisted of \$2,070,048 for pharmacy expenses reimbursed.
 - 2) As of December 31, 2017, the Company has no recorded receivables from companies whose account balances are greater than 10% of the Company’s amounts receivable from uninsured accident and health plans or \$10,000. In connection with the Company’s Medicare (or similarly structured cost based reimbursement contract) contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$ -0- at December 31, 2017. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

Notes to Financial Statements

20. Fair Value Measurements

- A.
- (1) Fair Value Measurements at Reporting Date - None
 - (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None
 - (3) The Company’s policy for determining when transfers between levels are recognized is determined at the end of the reporting period.
 - (4) The Company has not valued any securities at a Level 2 or 3.
 - (5) Derivative assets and liabilities- None
- B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None
- C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash Equivalents	1,004,561	1,004,561		1,004,561		

- D. Not Practicable to Estimate Fair Value – None

21. Other Items

- A. Unusual and Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures – None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-transferable Tax Credits - None
- F. Subprime-Mortgage-Related Risk Exposure – None
- G. Retained Assets – None
- H. Insurance-Linked Securities - None

22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2018 for the statutory statement issued on December 31, 2017.

None

Type II. – Nonrecognized Subsequent Events

On January 1,2018 the Company will be subject to an annual fee under Section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment and expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018, to be \$ 726,833. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by (41) percentage points. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level

Notes to Financial Statements

		PY
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (Yes/No)?	Yes	
B. ACA fee assessment payable for the upcoming year	\$ 726,833	
C. ACA fee assessment paid		\$ 726,739
D. Premium written subject to ACA 9010 assessment	\$ 44,965,111	\$51,353,786
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 8,025,022	
F. Total Adjusted Capital after surplus adjustment (Five- Year Historical Line 14 minus 22B above)	\$ 7,298,189	
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 1,772,504	
H. Would reporting the ACA assessment as of 12/31/2017 have triggered an RBC action level(Y/N)?	No	

23. Reinsurance

a. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B – Not applicable.

b. Uncollectible Reinsurance – None

c. Commutation of Ceded Reinsurance – None

d. Certified Reinsurer Downgraded or Status Subject to Revocation – None

Notes to Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Accrued retrospective premium adjustments - None
- B. Accrued retrospective premium as an adjustment to earned premium - None
- C. Net premiums written subject to retrospective rating features - None
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act - None.

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1.Premium adjustments receivable due to ACA Risk Adjustment	0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	0
3.Premium adjustments payable due to ACA Risk Adjustment	1,625
Operations (Revenue & Expense)	
4.Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	537,857
5.Reported in expenses as ACA risk adjustment user fees (incurred/paid)	
b. Transitional ACA Reinsurance Program	
Assets	
1.Amounts recoverable for claims paid due to ACA Reinsurance	0
2.Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	0
3.Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
Liabilities	
4.Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	0
5.Ceded reinsurance premiums payable due to ACA Reinsurance	0
6.Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	0
Operations (Revenue & Expense)	
7.Ceded reinsurance premiums due to ACA Reinsurance	0
8.Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	0
9.ACA Reinsurance contributions – not reported as ceded premium	0
c. Temporary ACA Risk Corridors Program	
Assets	
1.Accrued retrospective premium due to ACA Risk Corridors	0
Liabilities	
2.Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
Operations (Revenue & Expense)	
3.Effect of ACA Risk Corridors on net premium income (paid/received)	0
4.Effect of ACA Risk Corridors on change in reserves for rate credits	0

Notes to Financial Statements

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)	
	1	2	3	4	5	6	7	8		9	10	
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program												
1. Premium adjustments receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	A	\$0	\$0
2. Premium adjustments (payable)	\$0	\$2,419,404	\$0	\$2,957,261	\$0	\$(537,857)	\$0	539,482		B	\$0	\$1,625
3. Subtotal ACA Permanent Risk Adjustment Program	\$0	\$2,419,404	\$0	\$2,957,261	\$0	\$(537,857)	\$0	\$539,482			\$0	\$1,625
b. Transitional ACA Reinsurance Program												
1. Amounts recoverable for claims paid	\$89,940	\$0	\$0	\$0	\$89,940	\$0	\$(89,940)	\$0	\$0	C	\$0	\$0
2. Amounts recoverable for claims unpaid (contra liability)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	D	\$0	\$0
3. Amounts receivable relating to uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	E	\$0	\$0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	F	\$0	\$0
5. Ceded reinsurance premiums payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	G	\$0	\$0
6. Liability for amounts held under uninsured plans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	H	\$0	\$0
7. Subtotal ACA Transitional Reinsurance Program	\$89,940	\$0	\$0	\$0	\$89,940	\$0	\$(89,940)	\$0	\$0		\$0	\$0
c. Temporary ACA Risk Corridors Program												
1. Accrued retrospective premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	I	\$0	\$0
2. Reserve for rate credits or policy experience rating refunds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	J	\$0	\$0
3. Subtotal ACA Risk Corridors Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
d. Total for ACA Risk Sharing Provisions	\$89,940	\$2,419,404	\$0	\$2,957,261	\$89,940	\$(537,857)	\$(89,940)	\$539,482			\$0	\$1,625

Explanations of Adjustments

A
B Adjusted amount based on notice received from United States Department of Health and Human Services.
C Adjusted amount based on notice received from United States Department of Health and Human Services.
D
E
F
G
H
I.
J

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 +8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
2014									A		
1. Accrued retrospective premium									B		
2. Reserve for rate credits or policy experience rating refunds											
2015	-								C	-	0
1. Accrued retrospective premium									D		
2. Reserve for rate credits or policy experience rating refunds											
2016									E		
1. Accrued retrospective premium											
2. Reserve for rate credits or policy experience rating refunds									F		
d. Total for Risk Corridors											

Explanations of Adjustments

A Adjusted balance based on management judgement
B.
C

Notes to Financial Statements

D
E
F

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridor Receivable:

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non- admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4-5)
a. 2014						
b. 2015						
c. 2016						
d. Total (a+b+c)						

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)
24E(5)d (Column 6) should equal 24E(2)c1

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2017 were \$7,764,306. As of December 31, 2017, \$5,886,000 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$70,596 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$1,807,710 favorable prior-year development since December 31, 2016 to December 31, 2017. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	\$ 59,088				
09/30/2017			\$ 61,477		
06/30/2017			\$ 50,831		
03/31/2017			\$ 65,732		
12/31/2016			\$ 192,410		
09/30/2016			\$ 126,732		
06/30/2016			\$ 115,458		
03/31/2016			\$ 149,749		

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

The Company took into account estimated subrogation, consistent with historical recovery rates in determination of the liability for unpaid claims. As of December 31, 2017, the Company does not anticipate any salvage or subrogation recoveries.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Michigan
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/29/2017
- 3.4 By what department or departments?
Michigan Department of Insurance and Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes[] No[X]
Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes[] No[X]
Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Brown Smith Wallace LLP 6 City Place Drive, Suite 900, St Louis, MO 63141
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kelsey Stevens, FSA, MAAA, Senior Consulting Actuary - Wakely

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved

0
- 12.13 Total book/adjusted carrying value

\$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$ 0
- 20.12 To stockholders not officers

\$ 0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$ 0
- 20.22 To stockholders not officers

\$ 0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$ 0
- 21.22 Borrowed from others

\$ 0
- 21.23 Leased from others

\$ 0
- 21.24 Other

\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$ 0
- 22.22 Amount paid as expenses

\$ 0
- 22.23 Other amounts paid

\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 14,108

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
24.103 Total payable for securities lending reported on the liability page.

\$ 0
\$ 0
\$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
25.21 Subject to repurchase agreements
25.22 Subject to reverse repurchase agreements
25.23 Subject to dollar repurchase agreements
25.24 Subject to reverse dollar repurchase agreements
25.25 Placed under option agreements
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock
25.27 FHLB Capital Stock
25.28 On deposit with states
25.29 On deposit with other regulatory bodies
25.30 Pledged as collateral - excluding collateral pledged to an FHLB
25.31 Pledged as collateral to FHLB - including assets backing funding agreements
25.32 Other

\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 1,004,561
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
- 25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Comerica	Detroit, MI

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
Cleveland E. Slade .....	..... A

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes[] No[X]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes[] No[X]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
	Cleveland E. Slade			NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

29.2 If yes, complete the following schedule:

Yes ☐ No ☒

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Yes ☐ No ☒

N/A

Yes ☐ No ☐ N/A ☒

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

32.2 If no, list exceptions:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:

33.1 Documentation necessary to permit a full credit analysis of the security does not exist.

33.2 Issuer or obligor is current on all contracted interest and principal payments.

33.3 The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Yes ☒ No ☐

Has the reporting-entity self-designated 5*GI securities?

Yes ☐ No ☒

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

\$ 0

1 Name	2 Amount Paid

35.1 Amount of payments for legal expenses, if any?

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

\$ 0

1 Name	2 Amount Paid

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

\$ 50,000

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
McAlvey Merchant & Associates .....	..... 50,000

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	44,505,112	50,580,268
2.2	Premium Denominator	44,505,112	50,580,268
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	7,850,549	8,845,090
2.5	Reserve Denominator	7,850,549	8,845,090
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X] N/A[]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 390,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 2,937

8.2 Number of providers at end of reporting year

..... 3,445

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 0

10.22 Amount actually paid for year bonuses

\$ 0

10.23 Maximum amount payable withholds

\$ 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[X] No[]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4 If yes, show the amount required.

\$ 7,000,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Wayne County
Macomb
Oakland

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written

\$ 0

15.2 Total incurred claims

\$ 0

15.2 Number of covered lives

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	17,863,503	30,989,944	17,828,631	14,507,567	6,463,259
2. TOTAL Liabilities (Page 3, Line 24)	9,838,480	23,053,962	7,856,707	7,499,113	1,703,127
3. Statutory minimum capital and surplus requirement	7,000,000	7,000,000	3,000,000	3,000,000	3,000,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	8,025,022	7,935,982	9,971,924	7,008,455	4,760,132
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	44,505,112	51,764,915	36,576,814	21,935,853	8,910,616
6. TOTAL Medical and Hospital Expenses (Line 18)	36,342,185	39,319,678	23,764,088	18,099,208	7,552,578
7. Claims adjustment expenses (Line 20)	4,142,966	3,822,980	950,563	723,968	463,816
8. TOTAL Administrative Expenses (Line 21)	6,894,820	5,023,677	3,501,885	2,458,729	935,286
9. Net underwriting gain (loss) (Line 24)	(2,874,859)	4,048,580	6,774,356	650,948	(41,064)
10. Net investment gain (loss) (Line 27)	14,590	330	155	842	(226,447)
11. TOTAL Other Income (Lines 28 plus 29)	2,812,638	(130,454)			
12. Net income or (loss) (Line 32)	(86,452)	2,546,983	4,271,062	422,656	(267,511)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	700,849	5,062,225	6,190,560	4,504,325	(401,791)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	8,025,022	7,935,982	9,971,924	7,008,455	4,760,132
15. Authorized control level risk-based capital	1,772,504	1,681,623	1,032,635	1,160,589	513,810
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	9,337	10,162	6,638	6,034	2,682
17. TOTAL Members Months (Column 6, Line 7)	116,205	134,273	84,831	58,775	28,909
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	81.7	77.7	66.1	83.0	84.8
20. Cost containment expenses	1.9	6.1			
21. Other claims adjustment expenses	7.4	1.5	2.6	3.3	5.2
22. TOTAL Underwriting Deductions (Line 23)	106.5	94.3	83.0	97.6	100.5
23. TOTAL Underwriting Gain (Loss) (Line 24)	(6.5)	8.0	18.9	3.0	(0.5)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	5,744,407	5,725,985	5,504,486	1,107,200	927,937
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	7,314,238	5,355,174	5,321,219	1,470,960	1,139,527
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

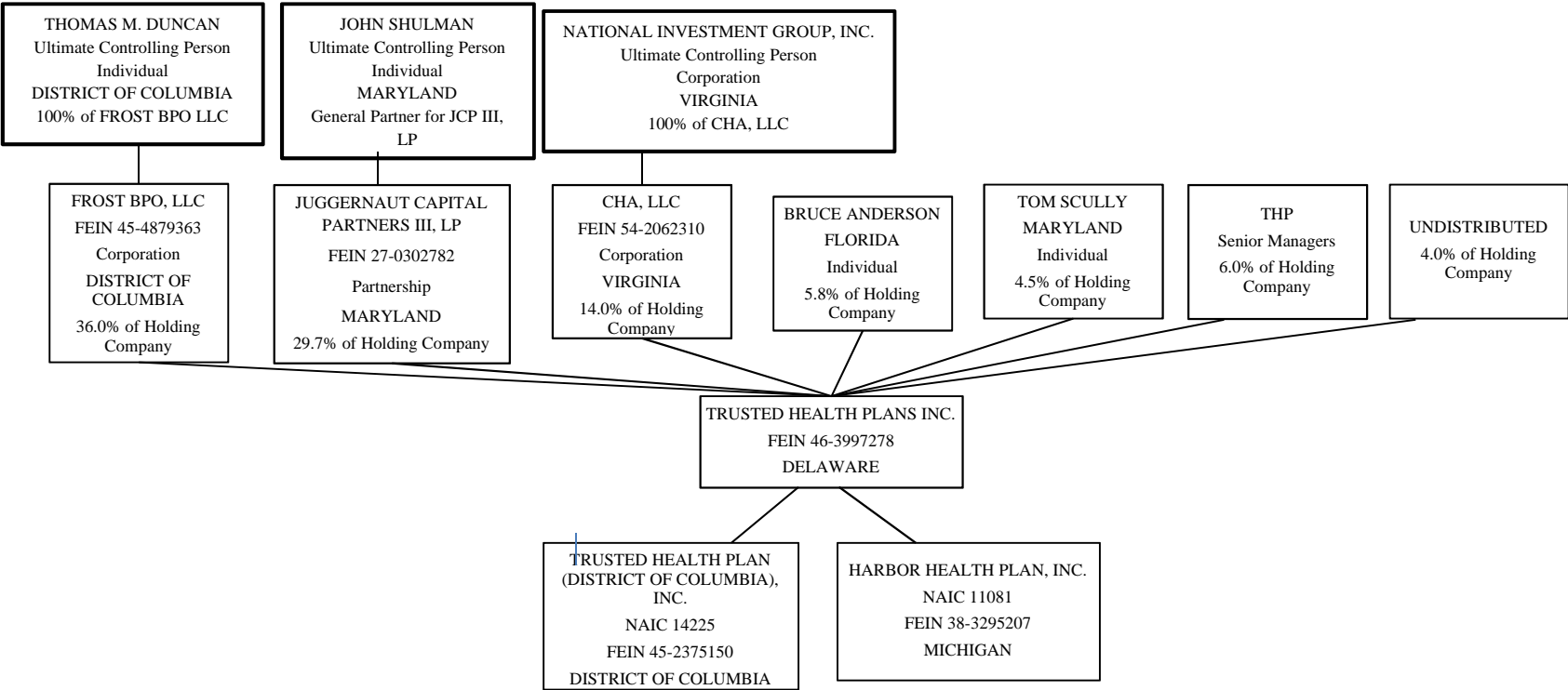
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	(638,730)	7,371,711	38,232,130				44,965,111	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	(638,730)	7,371,711	38,232,130				44,965,111	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1	(638,730)	7,371,711	38,232,130				44,965,111	

DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: situs of contract

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART
INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF TRUSTED HEALTH PLANS HOLDING COMPANY GROUP
ORGANIZATION CHART



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